

**BILL ANALYSIS**

C.S.S.B. 1877  
By: Estes  
Special Purpose Districts  
Committee Report (Substituted)

**BACKGROUND AND PURPOSE**

Interested parties note that there are plans to develop Venable Ranch as a master planned community within the corporate limits and in the extraterritorial jurisdiction of the City of Aubrey in Denton County. The parties contend that the area would benefit from the creation of a municipal utility district. C.S.S.B. 1877 seeks to address this issue.

**RULEMAKING AUTHORITY**

It is the committee's opinion that this bill does not expressly grant any additional rulemaking authority to a state officer, department, agency, or institution.

**ANALYSIS**

C.S.S.B. 1877 amends the Special District Local Laws Code to create the Venable Ranch Municipal Utility District No. 1 of Denton County, subject to voter approval at a confirmation election and municipal consent. The bill grants the district the power to undertake certain road projects and provides for firefighting services, annexation by the City of Aubrey, and division of the district into two or more new districts. The bill authorizes the district, subject to certain requirements, to issue obligations; adopt and enforce charges, fees, or rentals; and impose property, operation and maintenance, and contract taxes. The bill, if it does not receive a vote of two-thirds of all the members elected to each house, prohibits the district from exercising the power of eminent domain.

**EFFECTIVE DATE**

September 1, 2013.

**COMPARISON OF ORIGINAL AND SUBSTITUTE**

While C.S.S.B. 1877 may differ from the engrossed version in minor or nonsubstantive ways, the following comparison is organized and highlighted in a manner that indicates the substantial differences between the engrossed and committee substitute versions of the bill.

SENATE ENGROSSED

HOUSE COMMITTEE SUBSTITUTE

SECTION 1. Subtitle F, Title 6, Special District Local Laws Code, is amended by adding Chapter 8469 to read as follows:

SECTION 1. Subtitle F, Title 6, Special District Local Laws Code, is amended by adding Chapter 8469 to read as follows:

CHAPTER 8469. VENABLE RANCH MUNICIPAL UTILITY DISTRICT NO. 1 OF DENTON COUNTY

CHAPTER 8469. VENABLE RANCH MUNICIPAL UTILITY DISTRICT NO. 1 OF DENTON COUNTY

SUBCHAPTER A. GENERAL

SUBCHAPTER A. GENERAL

PROVISIONS

Sec. 8469.001. DEFINITIONS.

Sec. 8469.002. NATURE OF DISTRICT.

Sec. 8469.003. CONFIRMATION AND DIRECTORS' ELECTION REQUIRED.

Sec. 8469.004. CONSENT OF CITY REQUIRED.

Sec. 8469.005. FINDINGS OF PUBLIC PURPOSE AND BENEFIT.

Sec. 8469.006. INITIAL DISTRICT TERRITORY.

SUBCHAPTER B. BOARD OF DIRECTORS

Sec. 8469.051. GOVERNING BODY; TERMS.

Sec. 8469.052. TEMPORARY DIRECTORS.

SUBCHAPTER C. POWERS AND DUTIES

Sec. 8469.101. GENERAL POWERS AND DUTIES.

Sec. 8469.102. MUNICIPAL UTILITY DISTRICT POWERS AND DUTIES.

Sec. 8469.103. AUTHORITY FOR ROAD PROJECTS.

Sec. 8469.104. ROAD STANDARDS AND REQUIREMENTS.

Sec. 8469.105. COMPLIANCE WITH MUNICIPAL CONSENT ORDINANCE OR RESOLUTION.

Sec. 8469.106. DIVISION OF DISTRICT.

Sec. 8469.107. FIREFIGHTING SERVICES.

Sec. 8469.108. FEES AND CHARGES.

SUBCHAPTER D. GENERAL FINANCIAL PROVISIONS

PROVISIONS

Sec. 8469.001. DEFINITIONS.

Sec. 8469.002. NATURE OF DISTRICT.

Sec. 8469.003. CONFIRMATION AND DIRECTORS' ELECTION REQUIRED.

Sec. 8469.004. CONSENT OF CITY REQUIRED.

Sec. 8469.005. FINDINGS OF PUBLIC PURPOSE AND BENEFIT.

Sec. 8469.006. INITIAL DISTRICT TERRITORY.

SUBCHAPTER B. BOARD OF DIRECTORS

Sec. 8469.051. GOVERNING BODY; TERMS.

Sec. 8469.052. TEMPORARY DIRECTORS.

SUBCHAPTER C. POWERS AND DUTIES

Sec. 8469.101. GENERAL POWERS AND DUTIES.

Sec. 8469.102. MUNICIPAL UTILITY DISTRICT POWERS AND DUTIES.

Sec. 8469.103. AUTHORITY FOR ROAD PROJECTS.

Sec. 8469.104. ROAD STANDARDS AND REQUIREMENTS.

Sec. 8469.105. COMPLIANCE WITH MUNICIPAL CONSENT ORDINANCE OR RESOLUTION.

Sec. 8469.106. DIVISION OF DISTRICT.

Sec. 8469.107. FIREFIGHTING SERVICES.

Sec. 8469.108. FEES AND CHARGES.

SUBCHAPTER D. GENERAL FINANCIAL PROVISIONS

Sec. 8469.151. ELECTIONS REGARDING TAXES OR BONDS.

Sec. 8469.152. OPERATION AND MAINTENANCE TAX.

Sec. 8469.153. CONTRACT TAXES.

SUBCHAPTER E. BONDS AND OTHER OBLIGATIONS

Sec. 8469.201. AUTHORITY TO ISSUE BONDS AND OTHER OBLIGATIONS.

Sec. 8469.202. TAXES FOR BONDS.

Sec. 8469.203. BONDS FOR ROAD PROJECTS.

SUBCHAPTER F. ANNEXATION BY CITY

Sec. 8469.251. EFFECT OF ANNEXATION BY CITY. (a)

Notwithstanding any other law, if all of the territory of the district is annexed by the city into the corporate limits of the city before the date of the election held to confirm the creation of the district and the district is confirmed at that election, the district may not be dissolved and continues in existence following annexation until:

(1) water, sanitary sewer, and drainage improvements and roads have been constructed to serve at least 90 percent of the territory of the district capable of development; or

(2) the board adopts a resolution consenting to the dissolution of the district.

(b) Notwithstanding Section 54.016(f)(2), Water Code, an allocation agreement between the city and the district that provides for the allocation of the taxes or revenues of the district and the city following the date of inclusion of the district's territory in the corporate limits of the city may provide that the total annual ad valorem taxes collected by the city and the district from taxable property within the city's corporate limits may exceed the city's ad valorem tax on that property.

SECTION 2. Establishes initial boundaries

Sec. 8469.151. ELECTIONS REGARDING TAXES OR BONDS.

Sec. 8469.152. OPERATION AND MAINTENANCE TAX.

Sec. 8469.153. CONTRACT TAXES.

SUBCHAPTER E. BONDS AND OTHER OBLIGATIONS

Sec. 8469.201. AUTHORITY TO ISSUE BONDS AND OTHER OBLIGATIONS.

Sec. 8469.202. TAXES FOR BONDS.

Sec. 8469.203. BONDS FOR ROAD PROJECTS.

SUBCHAPTER F. ANNEXATION BY CITY

Sec. 8469.251. EFFECT OF ANNEXATION BY CITY. (a)

Notwithstanding any other law, if all of the territory of the district is annexed by the city into the corporate limits of the city before the date of the election held to confirm the creation of the district and the district is confirmed at that election, the district may not be dissolved and continues in existence following annexation until:

(1) water, sanitary sewer, and drainage improvements and roads have been constructed to serve at least 90 percent of the territory of the district capable of development; or

(2) the board adopts a resolution consenting to the dissolution of the district.

(b) After annexation by the city:

(1) the district may not impose an ad valorem tax;

(2) the district may impose a special assessment in the manner provided by Subchapter F, Chapter 375, Local Government Code; and

(3) Section 375.161, Local Government Code, does not apply to the district.

SECTION 2. Same as engrossed version.

for the Venable Ranch Municipal Utility District No. 1 of Denton County.

SECTION 3. (a) The legal notice of the intention to introduce this Act, setting forth the general substance of this Act, has been published as provided by law, and the notice and a copy of this Act have been furnished to all persons, agencies, officials, or entities to which they are required to be furnished under Section 59, Article XVI, Texas Constitution, and Chapter 313, Government Code.

(b) The governor, one of the required recipients, has submitted the notice and Act to the Texas Commission on Environmental Quality.

(c) The Texas Commission on Environmental Quality has filed its recommendations relating to this Act with the governor, the lieutenant governor, and the speaker of the house of representatives within the required time.

(d) All requirements of the constitution and laws of this state and the rules and procedures of the legislature with respect to the notice, introduction, and passage of this Act are fulfilled and accomplished.

SECTION 4. (a) If this Act does not receive a two-thirds vote of all the members elected to each house, Subchapter C, Chapter 8469, Special District Local Laws Code, as added by Section 1 of this Act, is amended by adding Section 8469.109 to read as follows:

Sec. 8469.109. NO EMINENT DOMAIN POWER. The district may not exercise the power of eminent domain.

(b) This section is not intended to be an expression of a legislative interpretation of the requirements of Subsection (c), Section 17, Article I, Texas Constitution.

SECTION 5. This Act takes effect September 1, 2013.

SECTION 3. Same as engrossed version.

SECTION 4. Substantially the same as engrossed version.

SECTION 5. Same as engrossed version.